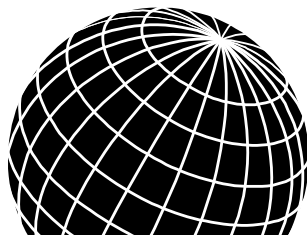


GOLDEN HEARTLAND, INC.

FISCAL IMPACT ANALYSIS OF PROPOSED DEVELOPMENT

September 2008



MERIDIAN
Business Advisors

**Meridian Business Advisors
660 Sierra Rose Dr., Suite 2
Reno, NV 89511**

FISCAL IMPACT--5 YEAR SUMMARY*
GOLDEN HEARTLAND, INC.

* 3 Years Construction + 2 Full Years Operating

Proposer's Estimates							
	<u>State</u>	<u>Wyandotte Co.</u>	<u>Edwardsville</u>	<u>Bonner Springs</u>	<u>Kansas City</u>	<u>K-12 Schools</u>	
REVENUE:							
Gaming Rev. Sharing	\$ 66,484,020	\$ 6,039,658	\$ 2,077,626	\$ 193,219	\$ -	\$ -	
Property Tax	207,173	19,278,023	6,985,219	11,532,671	-	-	
Sales/Use Tax	4,691,904	1,991,846	337,258	959,013	-	-	
Income Tax	-	-	-	-	-	-	
Lodging Tax	-	-	-	-	-	-	
Developer Contributions	-	-	6,971,890	-	-	-	
Total	\$ 71,383,097	\$ 27,309,527	\$ 16,371,993	\$ 12,684,903	\$ -	\$ -	
COSTS:							
Law Enforcement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Public Works	-	-	6,971,890	-	-	-	
Education	-	-	-	-	-	-	
Fire Protection/EMS	-	-	-	-	-	-	
Total	\$ -	\$ -	\$ 6,971,890	\$ -	\$ -	\$ -	
Surplus/(Deficit)	\$ 71,383,097	\$ 27,309,527	\$ 9,400,103	\$ 12,684,903	\$ -	\$ -	

Consultant's Estimates							
	<u>State</u>	<u>Wyandotte Co.</u>	<u>Edwardsville</u>	<u>Bonner Springs</u>	<u>Kansas City</u>	<u>K-12 Schools</u>	
REVENUE:							
Gaming Rev. Sharing	\$ 143,811,550	\$ 8,988,222	\$ 4,494,111	\$ 212,659	\$ 4,281,452	\$ -	
Property Tax	502,495	11,315,860	11,460,579	-	-	20,227,112	
Sales/Use Tax	22,634,050	4,270,576	4,270,576	-	-	-	
Income Tax	13,647,874	-	-	-	-	-	
Building Fees	-	-	403,284	-	-	-	
Lodging Tax	2,301,204	434,189	2,605,136	-	-	-	
School State Aid	-	-	-	-	-	-	
Developer Contributions	-	-	6,971,890	-	-	-	
Total	\$ 182,897,173	\$ 25,008,847	\$ 30,205,575	\$ 212,659	\$ 4,281,452	\$ 20,227,112	
COSTS:							
Law Enforcement	\$ -	\$ 840,607	\$ 3,201,858	\$ -	\$ -	\$ -	
Public Works	-	-	16,893	-	-	-	
Education	-	-	-	-	-	-	
Building Inspection	-	-	-	-	-	-	
Fire Protection/EMS	-	-	-	-	-	-	
Admin. Overhead	-	-	663,063	-	-	-	
Total	\$ -	\$ 840,607	\$ 3,881,814	\$ -	\$ -	\$ -	
Surplus/(Deficit)	\$ 182,897,173	\$ 24,168,239	\$ 26,323,762	\$ 212,659	\$ 4,281,452	\$ 20,227,112	

**FISCAL IMPACT--CONSTRUCTION
GOLDEN HEARTLAND, INC.**

Opening Date-Permanent Facility

Feb-11

Proposer's Estimates: 2009-2011

	<u>State</u>	<u>Wvandotte Co.</u>	<u>Edwardsville</u>	<u>Bonner Springs</u>	<u>Kansas City</u>	<u>K-12 Schools</u>
<u>REVENUE:</u>						
Gaming Rev. Sharing	\$ 66,484,020	\$ 6,039,658	\$ 2,077,626	\$ 193,219	\$ -	\$ -
Property Tax	207,173	19,278,023	6,985,219	11,532,671	-	-
Sales/Use Tax	4,691,904	1,991,846	337,258	959,013	-	-
Income Tax	-	-	-	-	-	-
Lodging Tax	-	-	-	-	-	-
Developer Contributions	-	-	6,971,890	-	-	-
Total	\$ 71,383,097	\$ 27,309,527	\$ 16,371,993	\$ 12,684,903	\$ -	\$ -
<u>COSTS:</u>						
Law Enforcement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public Works	-	-	6,971,890	-	-	-
Education	-	-	-	-	-	-
Fire Protection/EMS	-	-	-	-	-	-
Total	\$ -	\$ -	\$ 6,971,890	\$ -	\$ -	\$ -
Surplus/(Deficit)	\$ 71,383,097	\$ 27,309,527	\$ 9,400,103	\$ 12,684,903	\$ -	\$ -

Voluntary Contributions to State and Local Governments:

1. Road/streets, sewer/water and storm drains improvements estimated at \$6.97 million from 2009-11, 100% paid for by proposer.

Consultant's Estimates: 2009-2011

	<u>State</u>	<u>Wvandotte Co.</u>	<u>Edwardsville</u>	<u>Bonner Springs</u>	<u>Kansas City</u>	<u>K-12 Schools</u>
<u>REVENUE:</u>						
Gaming Rev. Sharing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Property Tax	-	-	-	-	-	-
Sales/Use Tax	6,794,317	1,281,947	1,281,947	-	-	-
Income Tax	3,953,720	-	-	-	-	-
Building Fees	-	-	403,284	-	-	-
Lodging Tax	-	-	-	-	-	-
School State Aid	-	-	-	-	-	-
Developer Contributions	-	-	6,971,890	-	-	-
Total	\$ 10,748,038	\$ 1,281,947	\$ 8,657,121	\$ -	\$ -	\$ -
<u>COSTS:</u>						
Law Enforcement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public Works	-	-	-	-	-	-
Education	-	-	-	-	-	-
Building Inspection	-	-	-	-	-	-
Fire Protection/EMS	-	-	-	-	-	-
Admin. Overhead	-	-	-	-	-	-
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Surplus/(Deficit)	\$ 10,748,038	\$ 1,281,947	\$ 8,657,121	\$ -	\$ -	\$ -

FISCAL IMPACT: 2012-2013
GOLDEN HEARTLAND, INC.

Proposer's Estimates								
	State	Wvandotte Co.	Edwardsville	Bonner Springs	Kansas City	K-12 Schools		
<u>REVENUE:</u>								
Gaming Rev. Sharing	\$	-	\$	-	\$	-	\$	-
Property Tax		-		-		-		-
Sales/Use Tax		-		-		-		-
Income Tax		-		-		-		-
Lodging Tax		-		-		-		-
Developer Contributions		-		-		-		-
Total	\$	-	\$	-	\$	-	\$	-
<u>COSTS:</u>								
Law Enforcement	\$	-	\$	-	\$	-	\$	-
Public Works		-		-		-		-
Education		-		-		-		-
Fire Protection/EMS		-		-		-		-
Total	\$	-	\$	-	\$	-	\$	-
Surplus/(Deficit)	\$	-	\$	-	\$	-	\$	-

Consultant's Estimates						
REVENUE:	State	Wvandotte Co.	Edwardsville	Bonner Springs	Kansas City	K-12 Schools
Gaming Rev. Sharing	\$ 143,811,550	\$ 8,988,222	\$ 4,494,111	\$ 212,659	\$ 4,281,452	\$ -
Property Tax	502,495	11,315,860	11,460,579	-	-	20,227,112
Sales/Use Tax	15,839,733	2,988,629	2,988,629	-	-	-
Income Tax	9,694,154	-	-	-	-	-
Building Fees	-	-	-	-	-	-
Lodging Tax	2,301,204	434,189	2,605,136	-	-	-
School State Aid	-	-	-	-	-	-
Developer Contributions	-	-	-	-	-	-
Total	\$ 172,149,136	\$ 23,726,900	\$ 21,548,454	\$ 212,659	\$ 4,281,452	\$ 20,227,112
COSTS:						
Law Enforcement	\$ -	\$ 840,607	\$ 3,201,858	\$ -	-	\$ -
Public Works	-	-	16,893	-	-	-
Education	-	-	-	-	-	-
Building Inspection	-	-	-	-	-	-
Fire Protection/EMS	-	-	-	-	-	-
Admin. Overhead	-	-	663,063	-	-	-
Total	\$ -	\$ 840,607	\$ 3,881,814	\$ -	\$ -	\$ -
Surplus/(Deficit)	\$ 172,149,136	\$ 22,886,293	\$ 17,666,641	\$ 212,659	\$ 4,281,452	\$ 20,227,112

Consultant's Comments:

		<u>2012</u>			
Golden Heartland	GGR Estimate	\$ 266,085,000		2011 Visitors	3,888,427
Consultants	GGR Estimate	\$ 194,827,000		2012 Visitors	2,441,629

APPENDIX 1
GOLDEN HEARTLAND, INC.
BUILDOUT ASSUMPTIONS AND ESTIMATED CONSTRUCTION COST

<u>YEAR</u>	<u>USE TYPE</u>	<u>SQUARE FEET CONSTRUCTED</u>	<u>ESTIMATED CONSTR. COST</u>	<u>ESTIM. CONSTR. MATERIALS COST</u>	<u>FF&E PURCHASES</u>
Year 1	Casino	65,902	\$ 51,967,334	\$ 25,983,667	\$ 5,493,684
	Hotel	136,000	107,243,443	53,621,722	11,337,153
	Restaurants	39,652	31,267,378	15,633,689	3,305,405
	Entertainment	26,289	20,730,315	10,365,158	2,191,488
	Casino Retail	550	433,705	216,853	45,849
Subtotal		268,393	211,642,176	105,821,088	22,373,580
Year 2	Casino	65,902	51,967,334	25,983,667	73,382,830
	Hotel	136,000	107,243,443	53,621,722	11,337,153
	Restaurants	39,652	31,267,378	15,633,689	3,305,405
	Entertainment	26,289	20,730,315	10,365,158	2,191,488
	Casino Retail	550	433,705	216,853	45,849
Subtotal		268,393	211,642,176	105,821,088	90,262,726
TOTAL		536,785	\$ 423,284,351	\$ 211,642,176	\$ 112,636,306

APPENDIX 1, ASSUMPTIONS:

1. The permanent facility is estimated to open in February 2011; no temporary facility proposed.

The analysis does not include Phase II of the development, which is expected to open in August 2014.

	Sq. Footage	Other Information
Casino	131,804	2,500 slot machines, 98 table games of which 18 are poker
Hotel	272,000	300 guest rooms, both standard and premium
Restaurants	79,303	restaurants and bars
Entertainment	52,578	entertainment showroom/spa/convention center
Casino Retail	1,100	retail outlets and lifestyle center

Total **536,785**

Source: Developer's application/final template.

2. Construction costs are estimated using above square footages and cost breakdown provided by Golden Heartland in its template document (costs are added in the year shown by the developer):

	Land	Building	FF&E*	Total**
	\$ 23,500,000	\$ 399,784,351	\$ 112,636,306	\$ 535,920,657

*FF&E-furniture, fixtures and equipment, including gaming equipment which is allocated to casino.

**Total amounts do not equal investment amounts as the analysis excludes soft costs such as engineering, architecture, finance and administration costs for property tax calculation purposes.

Source: Developer's application/template.

3. Construction materials cost estimated at **50%** of building costs. This cost is estimated for sales tax purposes. Source: Discussions with commercial developers in Nevada.

APPENDIX 2
GOLDEN HEARTLAND, INC.
ESTIMATED PROPERTY TAX REVENUE AT
2007 PROPERTY TAX RATE

<u>YEAR</u>	<u>USE TYPE</u>	<u>EST. REAL PROPERTY VALUE</u>	<u>EST. PERSONAL PROPERTY VALUE</u>	<u>CUMULATIVE PROPERTY VALUE</u>	<u>CUMULATIVE ASSESSED VALUE</u>	<u>KANSAS CITY SCHOOL DIST. REVENUE</u>	<u>WYANDOTTE COUNTY REVENUE</u>	<u>EDWARDSVILLE CITY REVENUE</u>	<u>STATE OF KANSAS REVENUE</u>
Year 1	Casino	\$ 51,967,334	\$ 5,493,684	\$ 57,461,018	\$ 14,365,255				
	Hotel	107,243,443	11,337,153	118,580,597	29,645,149				
	Restaurants	31,267,378	3,305,405	34,572,783	8,643,196				
	Entertainment	20,730,315	2,191,488	22,921,804	5,730,451				
	Casino Retail	433,705	45,849	479,554	119,888				
Subtotal		211,642,176	22,373,580	234,015,756	58,503,939	\$ -	\$ -	\$ -	\$ -
Year 2	Casino	51,967,334	73,382,830	184,370,202	46,092,551				
	Hotel	107,243,443	11,337,153	118,580,597	29,645,149				
	Restaurants	31,267,378	3,305,405	34,572,783	8,643,196				
	Entertainment	20,730,315	2,191,488	22,921,804	5,730,451				
	Casino Retail	433,705	45,849	479,554	119,888				
Subtotal		211,642,176	90,262,726	360,924,940	90,231,235	\$ 3,532,468	\$ 1,976,205	\$ 2,001,478	\$ 87,756
Year 3	Casino	-	-	187,535,013	46,883,753				
	Hotel	-	-	121,797,900	30,449,475				
	Restaurants	-	-	35,510,805	8,877,701				
	Entertainment	-	-	23,543,713	5,885,928				
	Casino Retail	-	-	45,849	11,462				
Subtotal		-	-	368,433,279	92,108,320	\$ 5,448,162	\$ 3,047,921	\$ 3,086,901	\$ 135,347
Year 4	Casino	-	-	190,794,768	47,698,692				
	Hotel	-	-	125,111,722	31,277,931				
	Restaurants	-	-	36,476,967	9,119,242				
	Entertainment	-	-	24,184,280	6,046,070				
	Casino Retail	-	-	45,849	11,462				
Subtotal		-	-	376,613,585	94,153,396	\$ 5,561,500	\$ 3,111,327	\$ 3,151,118	\$ 138,162
Year 5	Casino	-	-	194,152,316	48,538,079				
	Hotel	-	-	128,524,959	32,131,240				
	Restaurants	-	-	37,472,113	9,368,028				
	Entertainment	-	-	24,844,064	6,211,016				
	Casino Retail	-	-	45,849	11,462				
Subtotal		-	-	385,039,301	96,259,825	\$ 5,684,982	\$ 3,180,408	\$ 3,221,082	\$ 141,230
TOTAL		\$ 423,284,351	\$ 112,636,306			\$ 20,227,112	\$ 11,315,860	\$ 11,460,579	\$ 502,495

APPENDIX 2
GOLDEN HEARTLAND, INC.
ESTIMATED PROPERTY TAX REVENUE AT
2007 PROPERTY TAX RATE

APPENDIX 2, ASSUMPTIONS:

1. Tax rate will remain constant at 2007 amount:

Entity-Fund	Tax Rate*	*rate per \$1,000 of assessed value.
School District \$	60.3800	
County \$	33.7790	includes County Library rate.
City \$	34.2110	
State \$	1.5000	

Tax rates could decrease due to increase in assessed value but any change is at the discretion of the policy-making board and is not contemplated in this analysis.

Source: Wyandotte County Budget FY 2007. Rates include all funds for which property tax revenues are collected.

2. Properties are valued using the fair market value approach. As no comparable sales data exists and this is considered to be a "new and unique" property, the analysis uses the replacement cost approach to value these properties. Source: "A Homeowner's Guide to Property Tax in Kansas." Kansas Department of Revenue.

3. Assessed value estimated at **25.0%** of appraised value for both real and personal property for commercial property
Source: Kansas Department of Revenue website.

4. Appraised value is inflated 3% annually for real property and not inflated for personal property to account for depreciation.

5. Property tax revenue is estimated in the year following construction and improvements to account for lien dates. Work-in-progress is included.

**APPENDIX 3
GOLDEN HEARTLAND, INC.
SALES TAX REVENUE**

<u>YEAR</u>		<u>SQUARE FT. BUILT</u>	<u>CONSTRUCTION MATERIALS COST</u>	<u>FF&E PURCHASES</u>	<u>RETAIL SALES</u>	<u>TOTAL TAXABLE SALES</u>	<u>EDWARDS- VILLE REVENUE</u>	<u>WYANDOTTE COUNTY REVENUE</u>	<u>STATE OF KANSAS REVENUE</u>
Year 1	Casino	65,902	\$ 25,983,667	\$ 5,493,684	\$ -	\$ 31,477,351			
	Hotel	136,000	53,621,722	11,337,153	-	64,958,875			
	Restaurants	39,652	15,633,689	3,305,405	-	18,939,094			
	Entertainment	26,289	10,365,158	2,191,488	-	12,556,646			
	Casino Retail	550	216,853	45,849	-	262,701			
Subtotal		268,393	105,821,088	22,373,580	-	128,194,668	\$ 1,281,947	\$ 1,281,947	\$ 6,794,317
Year 2	Casino	65,902	25,983,667	73,382,830	-	99,366,497			
	Hotel	136,000	53,621,722	11,337,153	-	64,958,875			
	Restaurants	39,652	15,633,689	3,305,405	-	18,939,094			
	Entertainment	26,289	10,365,158	2,191,488	-	12,556,646			
	Casino Retail	550	216,853	45,849	-	262,701			
Subtotal		268,393	105,821,088	90,262,726	-	196,083,814	\$ 1,960,838	\$ 1,960,838	\$ 10,392,442
Year 3	Casino	-	-	-	-	-			
	Hotel	-	-	-	-	-			
	Restaurants	-	-	-	27,630,393	27,630,393			
	Entertainment	-	-	-	4,448,125	4,448,125			
	Casino Retail	-	-	-	-	-			
Subtotal		-	-	-	32,078,518	32,078,518	\$ 320,785	\$ 320,785	\$ 1,700,161
Year 4	Casino	-	-	-	-	-			
	Hotel	-	-	-	-	-			
	Restaurants	-	-	-	31,693,713	31,693,713			
	Entertainment	-	-	-	3,012,194	3,012,194			
	Casino Retail	-	-	-	-	-			
Subtotal		-	-	-	34,705,907	34,705,907	\$ 347,059	\$ 347,059	\$ 1,839,413
Year 5	Casino	-	-	-	-	-			
	Hotel	-	-	-	-	-			
	Restaurants	-	-	-	32,897,153	32,897,153			
	Entertainment	-	-	-	3,097,497	3,097,497			
	Casino Retail	-	-	-	-	-			
Subtotal		-	-	-	35,994,650	35,994,650	\$ 359,947	\$ 359,947	\$ 1,907,716
TOTAL		536,785	\$ 211,642,176	\$ 112,636,306	\$ 102,779,075	\$ 427,057,557	\$ 4,270,576	\$ 4,270,576	\$ 22,634,050

APPENDIX 3
GOLDEN HEARTLAND, INC.
SALES TAX REVENUE

APPENDIX 3, ASSUMPTIONS:

1. Sales tax rate is as follows:
- | | <u>Designation</u> |
|---------------|--------------------|
| 1.000% | City |
| 1.000% | County |
| <u>5.300%</u> | State |
| 7.300% | TOTAL |

Source: "All Jurisdictions and Rates in this Zip Code." Kansas Department of Revenue.

2. Materials Cost - 50% of construction cost is assumed to be materials cost.

Source: Discussion with Nevada contractors

3. Retail sales revenue for retail, food and beverage and entertainment components uses the Developer's estimates. Source: Developer's template.
Entertainment revenue is golf course revenue.

APPENDIX 4
GOLDEN HEARTLAND, INC.
LOTTERY GAMING CONTRIBUTION REVENUE

<u>YEAR</u>		<u>ESTIMATED GAMING REVENUE</u>	<u>BONNER SPRINGS REVENUE</u>	<u>KANSAS CITY REVENUE</u>	<u>EDWARDS- VILLE REVENUE</u>	<u>WYANDOTTE COUNTY REVENUE</u>	<u>STATE OF KANSAS REVENUE</u>	<u>STATE PROB. GAMBLING REVENUE</u>
Year 1	Casino	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Year 2	Casino	-	-	-	-	-	-	-
Year 3	Casino	194,827,000	69,143	1,392,059	1,461,203	2,922,405	42,861,940	3,896,540
Year 4	Casino	199,697,675	70,872	1,426,861	1,497,733	2,995,465	43,933,489	3,993,954
Year 5	Casino	204,690,117	72,644	1,462,532	1,535,176	3,070,352	45,031,826	4,093,802
TOTAL		\$ 212,659	\$ 4,281,452	\$ 4,494,111	\$ 8,988,222	\$ 131,827,254	\$ 11,984,296	

APPENDIX 4, ASSUMPTIONS:

1. Estimated Gross Gaming Revenue (GGR) is the average GGR estimated in Wells and Cummings reports:

Wells GGR	\$ 166,454,000
Cummings GGR	223,200,000
Average	\$ 194,827,000

Source: Wells Gaming Research and Cummings Associates revenue forecasts of August 2008.

2. Local government revenue is estimated as follows:

State of Kansas	22.0%	of all lottery gaming revenues.
State Prob. Gambling	2.0%	of all lottery gaming revenues.
Wyandotte County	1.5%	of all lottery gaming revenues.
Edwardsville	0.75%	of all lottery gaming revenues.
Bonner Springs	0.04%	of all lottery gaming revenues.
Kansas City	0.71%	of all lottery gaming revenues.

Source: SB 66 and Interlocal Agreement between Kansas City, Bonner Springs, and Edwardsville.

Analysis assumes Edwardsville will be the host city, retaining 50% of city-share and Bonner Springs and Kansas City will split the remaining 50%. According to the interlocal agreement, revenue should be shared based on road miles and size of each jurisdiction. As this information was not available, the analysis uses population, as it is assumed to correlate to size and road length of the two locations:

	2007 Population	% of Total
Bonner Springs	7,069	4.73%
Kansas City	142,320	95.27%

149,389 Source: US Census Bureau. "Population Finder."

3. Year 4 assumes first full year of operation for the permanent facility, permanent casino will be operational for 6 months in Year 3 and the temporary casino is operational prior to this date.

**APPENDIX 5
GOLDEN HEARTLAND, INC.
STATE INCOME TAX REVENUE**

<u>YEAR</u>		<u>ESTIMATED PAYROLL EXPENDITURES</u>	<u>ESTIMATED PAYROLL/ EMPLOYEE</u>	<u>STATE OF KANSAS INCOME TAX REVENUE</u>
Year 1	Construction	\$ 76,881,606	\$ 36,141	\$ 3,953,720
	Operating	-	-	-
Subtotal		76,881,606	36,141	3,953,720
Year 2	Construction	76,881,606	36,141	3,953,720
	Operating	4,355,579	23,381	195,380
Subtotal		81,237,185	59,522	4,149,100
Year 3	Construction	-	-	-
	Operating	39,133,680	24,082	1,775,543
Subtotal		39,133,680	24,082	1,775,543
Year 4	Construction	-	-	-
	Operating	40,281,368	24,789	1,847,273
Subtotal		40,281,368	24,789	1,847,273
Year 5	Construction	-	-	-
	Operating	41,480,810	25,527	1,922,238
Subtotal		41,480,810	25,527	1,922,238
TOTAL		\$ 279,014,649	\$	13,647,874

APPENDIX 5, ASSUMPTIONS:

- Developer's template does not contain information on construction salaries. However, the template shows total construction costs are estimated at \$ **399,784,351**. Salaries/benefits are estimated to make up half of this cost, or \$ **199,892,176** Source: Discussions with commercial developers in Nevada. This amount must be adjusted to exclude benefits at 30% of total cost: \$ **153,763,212** Source: Average benefits percentage used for three Kansas City casinos as shown in Developer templates. Average salary per employee is estimated at \$ **36,141** Source: Average construction salary (excluding benefits) for three Kansas City casinos as shown in Developer templates.
- Operating salary per employee is estimated at \$ **24,082** excluding benefits per Developer template. Salary is inflated by 3% annually per Developer's template. Operating employees will be hired in the last few months of 2010, generating some payroll in that year.
- Personal income tax revenue for the State is estimated as follows, using a 2007 schedule:
For a single person:
Taxable income between \$0 and \$15,000 is taxed at 3.5%
Taxable income between \$15,000 and \$30,000 is taxed at 6.25% plus the tax calculated on the first \$15,000
Taxable income over \$30,000 is taxed at 6.45% plus the tax calculated on the first \$30,000
Source: Kansas Department of Revenue. 2007 Kansas Individual Income Tax schedule.

APPENDIX 6
GOLDEN HEARTLAND, INC.
EDWARDSVILLE
ESTIMATED BUILDING PERMIT FEE REVENUE

<u>YEAR</u>	<u>LAND USE</u>	<u># OF SQ. FT. BUILT</u>	<u>COST OF BUILDING</u>	<u>BUILDING PERMIT REVENUE</u>
Year 1	Casino	131,804	\$ 98,164,398	\$ 98,864
	Hotel	272,000	202,578,953	203,279
	Restaurants	79,303	59,062,937	59,763
	Entertainment	52,578	39,158,810	39,859
	Casino Retail	1,100	819,253	1,519
Total		536,785	\$ 399,784,351	\$ 403,284

APPENDIX 6, ASSUMPTIONS:

- According to Ordinance NO. 812, cost of building is estimated as all value of work, including materials and labor.
Source: Edwardsville, Kansas, City Administrator's Office.
This information is shown in Appendix 1 as provided by the Developer.
Building permit fee revenue is estimated in Year 1 for the entire development prior to construction.
- Commercial building permit fee calculation:

\$1,200	for value between	\$350,001 and \$500,000	plus
\$1.00	for each additional	\$1,000	of value.

Source: Edwardsville, Kansas, City Administrator's Office.
- Revenue for mechanical, plumbing, and electrical permit fee and sewer tapping and water meter fees is not estimated as the information required to estimate these fees is unknown.

APPENDIX 7
GOLDEN HEARTLAND, INC.
TRANSIENT GUEST TAX REVENUE

<u>YEAR</u>		<u># OF ROOMS</u>	<u>ESTIMATED ROOM REVENUE</u>	<u>EDWARDS- VILLE REVENUE</u>	<u>WYANDOTTE COUNTY REVENUE</u>	<u>STATE OF KANSAS REVENUE</u>
Year 1	Hotel	-	\$ -	\$ -	\$ -	\$ -
Year 2	Hotel	-	-	-	-	-
Year 3	Hotel	300	13,832,248	829,935	138,322	733,109
Year 4	Hotel	300	14,414,941	864,896	144,149	763,992
Year 5	Hotel	300	15,171,745	910,305	151,717	804,102
TOTAL			\$ 43,418,934	\$ 2,605,136	\$ 434,189	\$ 2,301,204

APPENDIX 7, ASSUMPTIONS:

- Sales tax rate is as follows:

<u>Designation</u>
6.000% City
1.000% County
<u>5.300%</u> State
12.300% TOTAL

Source: "Transient Guest Tax Rates, Effective Dates, and Number of Active Accounts." Kansas Department of Revenue.

- Room revenue based on Developer's estimates. Source: Developer's template.
- Analysis assumes complementary rooms will have tax assessed.

**APPENDIX 8
GOLDEN HEARTLAND, INC.
SUMMARY OF ESTIMATED REVENUE**

<u>YEAR</u>		<u>STATE OF KANSAS</u>	<u>KANSAS CITY SCHOOL DIST.</u>	<u>BONNER SPRINGS</u>	<u>KANSAS CITY</u>	<u>WYANDOTTE COUNTY</u>	<u>EDWARDS- VILLE</u>
Year 1	Property Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Sales Tax Revenue	6,794,317	-	-	-	1,281,947	1,281,947
	Gaming Revenue	-	-	-	-	-	-
	Income Tax Revenue	3,953,720	-	-	-	-	-
	Building Permit Fee	-	-	-	-	-	403,284
	Transient Guest Tax	-	-	-	-	-	-
Subtotal		10,748,038	-	-	-	1,281,947	1,685,231
Year 2	Property Tax	87,756	3,532,468	-	-	1,976,205	2,001,478
	Sales Tax Revenue	10,392,442	-	-	-	1,960,838	1,960,838
	Gaming Revenue	-	-	-	-	-	-
	Income Tax Revenue	4,149,100	-	-	-	-	-
	Building Permit Fee	-	-	-	-	-	-
	Transient Guest Tax	-	-	-	-	-	-
Subtotal		14,629,298	3,532,468	-	-	3,937,043	3,962,316
Year 3	Property Tax	135,347	5,448,162	-	-	3,047,921	3,086,901
	Sales Tax Revenue	1,700,161	-	-	-	320,785	320,785
	Gaming Revenue	46,758,480	-	69,143	1,392,059	2,922,405	1,461,203
	Income Tax Revenue	1,775,543	-	-	-	-	-
	Building Permit Fee	-	-	-	-	-	-
	Transient Guest Tax	733,109	-	-	-	138,322	829,935
Subtotal		51,102,640	5,448,162	69,143	1,392,059	6,429,434	5,698,823
Year 4	Property Tax	138,162	5,561,500	-	-	3,111,327	3,151,118
	Sales Tax Revenue	1,839,413	-	-	-	347,059	347,059
	Gaming Revenue	47,927,442	-	70,872	1,426,861	2,995,465	1,497,733
	Income Tax Revenue	1,847,273	-	-	-	-	-
	Building Permit Fee	-	-	-	-	-	-
	Transient Guest Tax	763,992	-	-	-	144,149	864,896
Subtotal		52,516,282	5,561,500	70,872	1,426,861	6,598,001	5,860,806
Year 5	Property Tax	141,230	5,684,982	-	-	3,180,408	3,221,082
	Sales Tax Revenue	1,907,716	-	-	-	359,947	359,947
	Gaming Revenue	49,125,628	-	72,644	1,462,532	3,070,352	1,535,176
	Income Tax Revenue	1,922,238	-	-	-	-	-
	Building Permit Fee	-	-	-	-	-	-
	Transient Guest Tax	804,102	-	-	-	151,717	910,305
Subtotal		53,900,915	5,684,982	72,644	1,462,532	6,762,423	6,026,509
TOTAL		\$ 182,897,173	\$ 20,227,112	\$ 212,659	\$ 4,281,452	\$ 25,008,847	\$ 23,233,685

APPENDIX 8
GOLDEN HEARTLAND, INC.
SUMMARY OF ESTIMATED REVENUE

APPENDIX 8, ASSUMPTIONS:

1. State of Kansas revenue includes 2% gaming contribution revenue for problem gambling fund.

**APPENDIX 9
GOLDEN HEARTLAND, INC.
EDWARDSVILLE
POLICE DEPARTMENT COST PROJECTIONS**

<u>YEAR</u>	<u>ESTIMATED POPULATION</u>	<u># OF UNIFORMED POSITIONS</u>	<u># OF NON-UNIFORMED POSITIONS</u>	<u>SALARIES & BENEFITS</u>	<u>SERVICES/ SUPPLIES</u>	<u>CAPITAL EQUIPMENT</u>	<u>TOTAL COST</u>
Year 1	0	0.0	0.0	\$ -	\$ -	\$ -	-
Year 2	0	0.0	0.0	-	-	-	-
Year 3	3,752	10.5	2.4	870,633	102,110	150,340	1,123,083
Year 4	3,752	10.5	2.4	909,811	106,705	-	1,016,516
Year 5	3,752	10.5	2.4	950,753	111,507	-	1,062,259
TOTAL				\$ 2,731,197	\$ 320,321	\$ 150,340	\$ 3,201,858

APPENDIX 9, ASSUMPTIONS:

- Estimated population includes half the commuting employees and daily visitors to the development (See Appendix 14 for calculation). Employees, residents and visitors are assumed in Year 3, first year of operation.
- Uniformed positions are estimated using a ratio of **2.8** employees per 1,000 population.
Non-uniformed positions are estimated using a ratio of **0.65** employee per 1,000 population.
Source: Edwardsville, Kansas, City Administrator's Office.
- The following salary and benefits information is used:

	Salary	Benefits	Total Cost
Officer III \$	32,178	\$ 16,591	\$ 48,769
Officer II	40,279	20,769	61,048
Officer I	49,702	25,627	75,329
Master Patrol Officer	50,180	25,874	76,054
Non-uniformed	20,800	10,725	31,525

Source: Wyandotte County Human Resources website.

Benefits are estimated at **51.6%** of salary costs. Salary and benefits costs are increased **4.5%** annually.

Full benefit information for Police department was unavailable, the analysis uses benefits data from the Fire department.

Source: Edwardsville, Kansas, City Administrator's Office. Average salary for all uniformed positions is used.

- Services/supplies are estimated at **12%** of salaries and benefits using Kansas City Police Department data (Edwardsville data not available).

	2006	2007	2008	Average
Personnel (P) \$	37,176,526	\$ 36,520,054	\$ 38,222,573	\$ 37,306,384
Services/Supplies (SS)	4,577,958	4,274,090	4,274,090	4,375,379
Capital Projects (CP)	1,952,235	1,750,900	1,826,507	1,843,214
SS % of P	12%	12%	11%	12%

CP % of P* *not included in analysis, calculated below.

Source: Wyandotte County/Kansas City Unified Government Budget FY 2007-08. Three-year average (2006-2008) for the Police Department.

- The following capital costs are expected to be incurred:

One vehicle per 2 uniformed positions are added at a cost of \$ **26,191** per vehicle, inflated 3% annually and replaced every 36 months.

Source: Edwardsville, Kansas, City Administrator's Office.

APPENDIX 9
GOLDEN HEARTLAND, INC.
EDWARDSVILLE
POLICE DEPARTMENT COST PROJECTIONS

6. Employment-related costs such as a uniform allowance of **\$900** annually per officer and annual vehicle maintenance costs of **\$ 2,500** per vehicle are not included in the analysis as they are assumed to be covered by the Services/Supplies estimates above.
Source: Edwardsville, Kansas, City Administrator's Office.

APPENDIX 10
GOLDEN HEARTLAND, INC.
EDWARDSVILLE
STREETS DEPARTMENT COST PROJECTIONS

<u>YEAR</u>	<u>ROAD LANE- FEET ADDED</u>	<u>ANNUAL MAINTENANCE COST/LANE-FOOT</u>	<u>TOTAL MAINTENANCE COST</u>
Year 1	0	\$ 0.76	\$ -
Year 2	6,800	0.78	-
Year 3	0	0.80	5,465
Year 4	0	0.83	5,629
Year 5	0	0.85	5,798
TOTAL	6,800	\$	16,893

APPENDIX 10, ASSUMPTIONS:

1. A total of **1,700** lane-feet of 4-lane roadway will be built by Developer and maintained by the City of Edwardsville.
Source: Edwardsville, Kansas, City Administrator's Office.
2. Maintenance cost per lane-mile is estimated at **\$ 4,000**
and per lane-foot of **\$ 0.76** inflated 3% annually.
Source: Wyandotte County/Kansas City Unified Government, County Administrator's Office.
Edwardsville road maintenance information was unavailable.

**APPENDIX 11
GOLDEN HEARTLAND, INC.
EDWARDSVILLE
SUMMARY OF ESTIMATED COSTS**

<u>YEAR</u>	<u>STREETS DEPARTMENT</u>	<u>POLICE DEPARTMENT</u>	<u>FIRE/EMS DEPARTMENT</u>	<u>WASTEWATER DEPARTMENT</u>	<u>COMMUNITY DEVELOPMENT</u>	<u>ADMIN. OVERHEAD</u>	<u>TOTAL COSTS</u>
Year 1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Year 2	-	-	-	-	-	-	-
Year 3	5,465	1,123,083	-	-	-	232,481	1,361,029
Year 4	5,629	1,016,516	-	-	-	210,562	1,232,707
Year 5	5,798	1,062,259	-	-	-	220,020	1,288,077
TOTAL	\$ 16,893	\$ 3,201,858	\$ -	\$ -	\$ -	\$ 663,063	\$ 3,881,814

APPENDIX 11, ASSUMPTIONS:

1. See Appendices 9-10 for detailed calculations of all department costs.
2. According to the Edwardsville City Manager's Office, no additional Waste Water Treatment, Fire/EMS and Community Development department costs will be incurred due to existing capacity for Water Treatment and Fire/EMS and Developer's cost responsibility for Community Development.
3. Administrative overhead costs estimated at **21%** of all department costs estimated in this analysis.
Source: City of Wellington Budget. Three-year average indirect costs as percent of direct costs (2006-2008) for the General Fund.
Detailed data for City of Edwardsville was not available.

APPENDIX 12
GOLDEN HEARTLAND, INC.
WYANDOTTE COUNTY
SHERIFF DEPARTMENT COST PROJECTIONS

<u>YEAR</u>	<u>ESTIMATED POPULATION</u>	<u># OF NEW POSITIONS</u>	<u>SALARIES & BENEFITS</u>	<u>SERVICES/ SUPPLIES</u>	<u>CAPITAL EQUIPMENT</u>	<u>TOTAL COST</u>
Year 1	0	0.0	\$ -	\$ -	\$ -	-
Year 2	0	0.0	-	-	-	-
Year 3	3,752	3.9	227,331	16,444	28,186	271,962
Year 4	3,752	3.9	234,151	16,938	29,032	280,121
Year 5	3,752	3.9	241,176	17,446	29,903	288,525
TOTAL			\$ 702,659	\$ 50,828	\$ 87,121	\$ 840,607

APPENDIX 12, ASSUMPTIONS:

1. Estimated population includes half the commuting employees and daily visitors to the development (See Appendix 14 for calculation).
2. New positions are estimated using a ratio of **1.04** employees per 1,000 population.
The analysis does not estimate the impact of the development on Juvenile Detention as no new local residents are estimated and commuting employees and visitors are assumed to be adults and will not require Juvenile services which are usually provided to residents of an area, not visitors.

<u>Position</u>	<u># of FTEs</u>	<u>FTE's per 1,000</u>
Sheriff*	1	0.00
Undersheriff*	1	0.00
Jail Administrator*	1	0.00
Manager*	1	0.00
Program Supervisor*	1	0.00
Classification Supervisor*	1	0.00
Program Assistant	3	0.02
Program Coordinator	2	0.01
Clinical Mental Health Professional	2	0.01
Classification Technician	4	0.03
Sergeant	12	0.08
Lieutenant	4	0.03
Captain	4	0.03
Investigator	2	0.01
Deputy	111	0.71
Clerical	<u>17</u>	<u>0.11</u>
Total	167	1.04

*Not included in the above ratios as additional positions are not estimated.

County population is estimated at **155,509** in 2006.

Source: FTE data from Wyandotte County/Kansas City Unified Government Budget FY 2007-08. Data for Sheriff's Department.

Population information from US Census Bureau, "State & County Quick Facts."

2. Costs for salaries, benefits, services and supplies and capital outlay are estimated as follows, using 2007 budget data.

Costs are inflated **3%** annually from 2007.

<u>Adult programs</u>	<u>Personnel</u>	<u>Services/Supplies</u>	<u>Capital Equipment</u>	<u>Total</u>
Sheriff Admin.	\$ 2,594,887	\$ 236,141	\$ 39,500	\$ 2,870,528
Jail Authority	\$ 6,088,188	\$ 391,966	\$ 1,037,088	\$ 7,517,242
Total Cost	\$ 8,683,075	\$ 628,107	\$ 1,076,588	\$ 10,387,770
FTEs	\$ 167	\$ 167	\$ 167	\$ 167
Cost/FTE	\$ 51,994	\$ 3,761	\$ 6,447	\$ 62,202

Source: Wyandotte County/Kansas City Unified Government Budget FY 2007-08. Data for Sheriff's Department.

**APPENDIX 13
GOLDEN HEARTLAND, INC.
BONNER SPRINGS/EDWARDSVILLE SCHOOL DISTRICT
ESTIMATED SURPLUS/DEFICIT**

<u>YEAR</u>	<u>GENERAL STATE AID</u>		<u>LOCAL EFFORT</u>		<u>TOTAL CONTRIBUTION</u>		<u>TOTAL COSTS</u>		<u>ANNUAL SURPLUS/ (DEFICIT)</u>	<u>CUMULATIVE SURPLUS/ (DEFICIT)</u>
Year 1	\$	-	\$	-	\$	-	\$	-	\$	-
Year 2		-		3,532,468		3,532,468		-	3,532,468	3,532,468
Year 3		-		5,448,162		5,448,162		-	5,448,162	8,980,630
Year 4		-		5,561,500		5,561,500		-	5,561,500	14,542,130
Year 5		-		5,684,982		5,684,982		-	5,684,982	20,227,112
TOTAL	\$	-	\$	20,227,112	\$	20,227,112	\$	-	\$	20,227,112

APPENDIX 13, ASSUMPTIONS:

1. Analysis assumes little or no cost impact of this development on the School District as all jobs will be filled by existing residents. Therefore, no new students are projected.
2. State general aid amount is estimated by subtracting revenue generated through the "local effort" from the State Financial Aid amount estimated by the state. State Financial Aid amount (shown above as Total Contribution) is estimated at **\$ 4,374** per pupil using an FY 2007-08 rate. Source: "School District Finance and Quality Performance Act and Bond and Interest State Aid Program." 2007-08 Edition. Kansas Legislative Research Department.
As the development is not expected to generate new students, only the Local Effort revenue is considered in this analysis.
3. Local Effort includes school district's property tax revenue only; other revenue sources are a small percentage of the total and are not estimated. Property tax revenue estimated for Kansas City School District in Appendix 2.
4. The school district's surplus could lead to a reduction in the property tax rate and/or be remitted to the State.

APPENDIX 14
GOLDEN HEARTLAND, INC.
ESTIMATED NUMBER OF DAILY VISITORS,
EMPLOYEES AND RESIDENTS REQUIRING SERVICES

YEAR	ESTIMATED TOTAL NO. OF EMPLOYEES	EMPLOYEES RESIDING OUTSIDE CO.	NEW EMPLOYEES LIVING IN THE CITY	ESTIMATED NUMBER OF NEW RESIDENTS	ESTIMATED NO. OF DAILY VISITORS	NEW PEOPLE REQUIRING SERVICES
Year 3	1,625	943	-	-	6,562	3,752

APPENDIX 14, ASSUMPTIONS:

1. Employees:

- a. The development is estimated to require approximately **1,625** employees.
Source: Developer's template.
- b. Approximately **42%** of all employees will live in Wyandotte County, based on historical work-residence data.
Source: US Census Bureau. County-To-County Worker Flow Files. 2000, Kansas City Counties. Data for Wyandotte County.
- c. Wyandotte County currently (2008) has an unemployment rate of **6.9%** which is higher than the normal rate of 4%.
Source: US Department of Labor, Bureau of Labor Statistics. Local Area Unemployment Statistics. By County. Data for Wyandotte County.
Analysis assumes all employees of the development will be existing unemployed residents and no net new employees are expected.

2. Residents:

The development will not include a residential component and therefore no residents are estimated for the development.

3. Visitors:

- a. Report by Richard Wells estimated approximately **6,396** daily visitors to the development, some of which will be local residents. Will Cummings' report estimated approximately **6,982** daily visitors to the development, including local residents. The analysis uses the average of these **6,689**
Source: Wells Gaming Research and Cummings Associates visitor forecasts of August 2008.
- b. Developer's application estimates a locals' resident penetration rate of **30.0%** with approximately **155,509** County residents in 2006. The analysis assumes number of local visitors at **46,653** or approximately **127.8** visits a day. The analysis assumes no additional costs associated with these local visitors; costs are estimated only for the non-local visitors or **6,562**
Source: Customer penetration information from the template provided by the developer. Population information from US Census Bureau, "State & County Quick Facts."

4. Impacts:

Total people in the area requiring services estimated as follows:

- 50%** of all commuting employees and daily visitors.
- 0%** of all employees residing in the City (those currently unemployed).
- 100%** of all new residents moving to the County.

To determine the cost of services, the analysis considers visitors and commuting employees as residents and assumes 1/2 of them will require services. Development employees living in the City will not require incremental services as they are already accounted for in the current budget.